

BUSINESS TRAVEL MARKET RETURNS, BUT AGENTS URGED TO CONTAIN COSTS



Mercurie meeting room

While the business travel market is bouncing back, agents are being urged to continue working with corporate clients to keep travel costs down in a bid to retain their business.

By Jenny Burns

WHILE corporate Australia is travelling again, the economic downturn has changed the way that many companies are doing business, with many still wary about their travel spend.

This creates both opportunities and pitfalls for agents. The advice to agents from Global Business Travel Association (GBTA) Australia New Zealand board member David Hughes is to "make sure you work with corporate clients to reduce their corporate spend rather than trying to make more money from them.

He said helping your clients reduce their costs (and so increase their bottom line) will result in loyalty, which is worth "far more than a couple of extra dollars".

It was also important agents understood the needs of their clients and provide value. "This is one of the reasons we encourage agents to undertake the training programs we offer," Hughes said.

"It also provides the perfect opportunity for agents and suppliers to understand each other's needs and work closely together."

Hughes said the financial crisis didn't impact on Australia's corporate travel market as much as UK or the US.

"Some companies in Australia did stop travelling all together, others changed their travel patterns choosing economy or premium class travel over business class and moved out of five-star hotels to four and three-star properties, while another group just continued as usual," he said.

"A number of companies tried virtual meetings but have realised the technology isn't there yet and many have gone back to travelling."

Hughes said that since the recovery many companies are reassessing their travel policies, with more continuing to use premium economy and being increasingly selective with hotels.

"The front of the planes aren't as full as they used to be although the rise in airfares suggests this market is returning," he said.

Accommodation rates are also on the increase.

"Hoteliers are trying to get rates back up to where they were before the downturn and we are seeing rate rises," Hughes said.

"One of the reasons is more people travelling, the second is the lack of new

hotel rooms coming on line."

American Express business travel director of advisory services Asia-Pacific Carl Jones is predicting that the strong growth seen in business travel during 2010 will continue, particularly for travel across Asia Pacific.

"Travellers are returning to the skies, however, they do not necessarily have free rein," he said.

"Companies went through a great deal of effort to enact policies to control their travel, meetings and entertainment spending and they are leaving many of these policies in place.

"We are seeing good recovery in air travel with up to double digit percentage increases in corporate travel. We are also seeing more corporate travellers choosing to fly in, or return to premium cabins. In terms of class of travel, there is a trend towards a differentiated premium economy offering and we have seen growing interest in these fares from organisations, particularly for midrange flying times of six to 10 hours."

Jones believes there will be an increased focus on demonstrating the return on investment from business travel.

"However, we do not foresee more lavish travel, as companies are reluctant to remove the cost controls they have put in place due to the GFC," he said.

"We are also seeing that mobile servicing is quickly becoming the focus for business travellers. Mobile technology has already made its

mark on business travel through 24/7 connectivity and the expectation for mobile access everywhere (airplane, trains, hotels, cars)."

Improving traveller compliance, optimising online adoption, driving air and ground transportation savings and optimising hotel spend are travel buyers' top priorities overall for 2011, according to a worldwide annual client survey conducted by Carlson Wagonlit Travel.

"Balancing these cost-saving measures, more than 30 per cent of travel buyers identified enhancing the traveller experience and/or addressing safety and security needs as additional key areas of focus this year," explained CWT's Cathy Voss.

Increased costs across the main areas of managed travel would present challenges for buyers.

"Hotel rates will increase overall, but the specific amount will vary considerably by region and city, as well as by category of service," she said.

"In the ground transportation area, the cost of rail travel is likely to increase, though price increases will be limited where rail providers directly compete with airlines for business. Meanwhile, car rental prices will be contained in some markets, based on the long-term nature of negotiated corporate contracts, which are designed to win and maintain corporate business."

Voss said travel buyers would experience continued pressure to limit cost increases for their organisations.

Strong support for Royal Jordanian's premium Crown Class

ROYAL Jordanian is reporting good support for its Crown Class from both agents and the industry.

"We have been extremely pleased with the response and support and we expect that support to continue in 2011," said RJ manager Australia Iain Ferguson.

"We have received a number of major awards including the Airline of the Year 2010 Award at the Arabian Business Achievement Awards."

Ferguson said the airline had introduced a very competitive business class net fare excluding taxes from \$5299 return to selected Middle East destinations and from \$5349 return to selected European destinations. This was in conjunction with Malaysian Airlines over Kuala Lumpur.

"In conjunction with Malaysian we have also introduced an even cheaper mixed class net fare excluding taxes from \$2899 return to selected Middle East and European destinations," he said.

During 2010 the airline had implemented several modern IT systems which improved the overall performance including reservation

and ticketing, inventory, ticket pricing and human resources.

The 30-aircraft fleet had also witnessed great expansion with the introduction of two Airbus A330 and an Embraer 175 aircraft during the year.

Ferguson said RJ was constantly reviewing its route network, in line with its policy of gradual expansion.

It will re-open its direct, regular service to Berlin after 10 years. More new routes are planned for the coming two years, which will mean greater coverage and more flexible choices for passengers.

Currently, the airline serves a network of direct routes to 58 international destinations and a broader network covered by the oneworld airline alliance that reaches to more than 750 points in almost 150 countries around the world.

Royal Jordanian merged its First and Business classes to create Crown Class, a premium service at business class rates.

Sleeper seats on the long-haul A330 and A340 aircraft recline 180 degrees into a fully flat bed sleeper seat and



there's a luggage allowance of 30 kilograms. A la carte dining includes a four course meal while snacks and drinks are available from the

pantry at any-time. An assortment of international wines, alcoholic and soft drinks are on offer while other services include audio/video on demand.

"I need

access to
the best fares"

Talk to Amadeus



"Amadeus has made it possible for Jetabroad to sell travel from anywhere to anywhere, enabling us to stay competitive to our customers and implement new techniques to increase profitability. Through the collaboration of Amadeus' and our own uniquely developed technology capabilities we have been able to offer unique features to our customers such as being able to display and sell combinations of traditional and low-cost airline flight tickets. "

Alex Snead, Founder and Executive Director
Darin Walters, Managing Director
Jetabroad

Vote for Amadeus for
the 2011 NTIA Awards!

Tell us what you need: sales@au.amadeus.com
www.au.amadeus.com

amadeus
Your technology partner

AF unveils business class seat in new Boeing 777-300ER

AIR France's first Boeing 777-300ER is also the first to be equipped with the airline's new business class seat.

The aircraft, which is flying the new non-stop Paris-Ho Chi Minh City route, offers several new features including an in-flight entertainment system developed exclusively for Air France and new bars in all cabins.

Out of the 11 777-300ER on order, Air France will have received four by May 2011.

"These new aircraft will support Air France's growth strategy on long-haul routes and will strengthen the Air France-KLM Group's European leadership in terms of its global network," said Air France chief marketing officer Bruno Matheu.

Matheu said the new business class seat still featured a fixed shell to preserve customers' privacy but included new innovations. These included a new seat structure which reclines into a two metre-long seat bed, a new fixed footrest, seat controls which are easier to use, new storage space and a 15-inch (38 cm) wide video screen in 16:9 format.

All cabins feature a new in-flight entertainment system specially developed for Air France by Panasonic.

The system has a USB socket enabling passengers to download programs read audio, photos and videos files on a USB key and consult and modify work documents such as Word, Excel and PowerPoint files.



"Thanks to an easier-to-use navigation system, all passengers can enjoy the Video On Demand (VOD) system, with approximately 600 hours of programs including around a hundred feature films – some of which are translated in up to nine languages," Matheu said.

"In total 15 languages are available in the system. As far as music is concerned, customers can choose from around

3000 pieces of music and can also draw up their own personal play list."

The use of new technologies enables Air France to offer a better picture quality. In all cabins, wider touch-sensitive screens are now in 16:9 format and have a faster response time."

Air France has also introduced two other new features.

Customers can now access an interactive meal service menu and can

also download recipes and take part in a discussion forum with other passengers on the flight.

Also new are fridge/freezer display cabinets where passengers can help themselves to drinks and ice creams (Haagen Dazs) depending on the flight duration.

The 777-300ER features 317 seats in economy, 24 seats in premium economy and 42 business class seats.



Etihad rolls out upgraded Pearl business class

ETIHAD Airways has upgraded its Pearl Business Class.

The new product boasts longer and wider seats, in a 1-2-1 configuration, which ensure all Pearl Business Class passengers have easy access to an aisle.

The seats, which convert to a fully flat bed, feature leather head and armrests and an ottoman upholstered by Italian designer, Poltrau Frau. Guests can enjoy more than 600 hours of on-demand movies, TV shows, music and

interactive games on a 15.4 inch personal screen thanks to a new state-of-the-art Panasonic eX2 system inflight entertainment system. New individually controlled ambient lighting with dimmer settings and larger meal tables are other additions.

Etihad's new Pearl Business Class is being introduced progressively to aircraft flying on the Australian route and across the airline's network.

Rail Plus offers private London transfer service

RAIL Plus has a new 24-7 door-to-door transfer service by private car between London's central rail stations and 1000 central hotels.

The service is linked to Kings Cross, St Pancras, Liverpool Street, Charing Cross, Victoria, Paddington, Marylebone, Euston and Waterloo stations.

It costs \$58 per transfer, which covers up to three people.



Amadeus supports corporate agents with updated e-Travel solution

AMADEUS has released version 14.0 of its flagship e-Travel Management solution, the self-booking tool for corporations.

The new version, which is available globally, has a range of enhanced features including the new Travel Arranger Workspace.

"All of the features used by the travel arranger such as booking and modifying trips, trip reviews, profile management, are now grouped into a single much more intuitive work area," explained Amadeus IT Pacific head of corporate solutions, Oliver Tams.

"Coupled with enhanced search facilities, this speeds up the booking process as there's no need to switch between several screens."

"Amadeus' online booking tool provides travel arrangers with unparalleled choice, content and control over their trips while complying with their company's travel policies."

Features available within the work space include a shopping basket which allows a trip to be built up by adding passenger elements quickly and easily. Automated alerts signal any anomalies in passenger profiles for faster reactivity.

In addition to the enhanced trip review list, the new calendar display gives better visibility. Status highlights and summary pop-ups make searching for PNRs even more efficient.

Air segments can also be booked even faster using templates containing



elements of frequently made trips.

The updated version also unveils enhancements to Single View, the solution which shows fare-driven availability composed of several prices for each air segment. Configurable options set rules giving travellers the choice between one-way combinable and round-trip fares. They can instantly see the lowest fare and reduce the overall corporate travel budget.

"In light of Amadeus being one of the few companies offering business travel solutions that support a multi-GDS approach, Single View is now extended to Galileo users," Tams said.

Emirates to add Geneva, Copenhagen

TRAVELLERS looking to visit Geneva and Copenhagen have new options this year with Emirates introducing flights to both destinations.

Non stop daily flights between Dubai and Geneva start on June 1.

EK 089 will leave Dubai at 0855 and arrive in Geneva at 1410. From Geneva, EK 090 departs at 1540 and arrives in Dubai at 2359.

The service will be operated with a combination of Boeing 777-200LR and Boeing 777-300ER aircraft in a three-class configuration, offering private

suites in first class, lie-flat seats in business class and economy class.

Emirates currently offers double-daily flights between Dubai and Zurich.

Non-stop daily services to Copenhagen start on August 1.

EK 151 will leave Dubai each day at 0830 and arrive in Copenhagen at 1310. From Copenhagen, EK 152 departs at 1455 and arrives in Dubai at 2315.

Emirates will be operating an Airbus A330-200 on the Copenhagen route in a three-class configuration.



Amongst the various other new features available for 14.0, the business traveller can now use iPhone to access and approve trips, in addition to BlackBerry and Windows-enabled devices.

In other news Amadeus and Speedy Travel have released the latest evolution of its iSpeedy Travel application.

The new developments include an iSpeedy social networking function, which introduces extensive connectivity with social media allowing for increased communication between iSpeedy and its users, as well as users and their connections. A new version of the iSpeedy App for corporate travellers – iSpeedy Corporate – gives businesses the ability to approve travel and expenses claims via iSpeedy, as well as put budgets and restrictions in place for business travellers. Speedy Travel has also developed an iSpeedy App for use on BlackBerry smartphones.

These new developments join the popular iSpeedy App for iPhone which was launched in November 2009 and was the first App of its kind to allow users to book and store air, car and hotel

bookings directly from their iPhone.

Tams said the developments were part of Amadeus' vision for corporate travel of supporting corporations anywhere in the world while locally customising solutions according to customer needs.

"From research and our constant conversations with customers, there are currently three specific needs that corporations are looking at in Australia and New Zealand. There's the ability to be mobile and deal with corporate travel on the go on mobile devices such as blackberries, iPhones, the need to become more efficient and the ability to work faster and save time as well as to be able to react faster to unforeseen situations in order to provide a better service to customers and end-users.

"Both Amadeus' partnerships with other technology providers as well as the features of the newly released Amadeus self booking tool (Amadeus e-Travel Management) now available to Australia and NZ corporate travel agencies directly deal with these issues and ensure an improved overall experience to corporate travel agents, travel arrangers and travellers."



Royal Jordanian

Explore the Unique Alternative



Royal Jordanian flies you to:

19 cities in Europe
21 cities in the Middle East
6 cities in North Africa
4 cities in North America

Flying daily via **BKK**, 4 weekly via **HKG**
and now 3 weekly via **KUL**

Competitive prices plus value added bonuses

- Free stopovers at HKG, KUL, BKK or AMM in one or both directions
- The opportunity to visit Petra (now one of the 7 Wonders of the World) plus other unique attractions in Jordan on one of RJ's Stopover Programs
- Nett side trips to other Regional destinations
- STPC in AMM for RJ Connections more than 6 hours (conditions apply)

Royal Jordanian Airlines

Tel: 1300 855 057 Fax: (02) 9290 3306

Email: sydgjar@rj.com Box 5022 GPO Sydney NSW 2001
www.rj.com

Virgin Blue puts the spotlight on business market growth

THE Virgin Blue Group of Airlines is aiming to grow its share of the corporate and government business markets to between 15 and 20 per cent over the next two years.

CEO John Borghetti said the airline currently had 10 per cent of the market. The strategy to attract a larger share of the corporate market was much bigger than the frequently reported configuration of seats on aircraft.

It also included network reach, flight scheduling, strategic partnerships to improve the attractiveness of the overall product offering and other ancillary product offerings.

Borghetti said the airline's business

had been primarily focused on the leisure and SME end of the market.

"And although we have and will continue to have a strong position in these segments, we are over reliant on them," he said.

"Meanwhile the corporate and business end of the market is effectively controlled by one player with a significantly higher cost base. It is therefore logical for us to diversify our revenue base, reduce our exposure at the lower end of the market and use our cost base as an advantage."

Borghetti said the airline had to continue to attract the leisure and SME market and then use its cost advantage

in pursuing the corporate sector.

"What we will be doing is creating a second Australian carrier that can provide a competitive domestic and international network that appeals to both the leisure and the corporate sector," he said.

"In order to achieve our objective of improving profitability and complementing our core domestic business we need an international network that can provide global coverage along with frequent flyer earn and redemption capability and a global frequent flyer program that benefits our guests.

"We have chosen to do this not with significant capital cost, but by creating

strong and strategic alliances that will carry our customers to multiple beyond destinations and tapping into our partners' loyalty schemes and strong distribution capability.

"Our first step is to establish two overseas hubs."

The first hub is Abu Dhabi, in alliance with Etihad Airways. The second hub was Los Angeles in conjunction with Delta Airlines.

In Australia, Borghetti said the additional of two Airbus A330 aircraft for the Perth route from May 2011 and the delivery of a further two new Airbus A330-200 aircraft in early 2012 would appeal to the corporate sector.

Mercure meetings offset 3821 tonnes of carbon emissions in two years

ON THE eve of its second anniversary last month, the Mercure Meetings Carbon Neutral Conference program has offset more than 3821 tonnes of carbon emissions, equating to the carbon used to drive 18,038,942 kilometres, according to the company.

A spokesperson said that this was enough to drive 1127 times around Australia or 47 trips to the moon (if you could drive there).

"To put this into perspective, if the average car travels 10,000 kilometres a year, it means that Mercure has effectively taken 1803 cars off the road through this initiative over the past two years," the spokesperson said.

Mercure Meetings has committed to offsetting – at a cost to Mercure, not the conference organiser – the

impact of every conference held in its hotels. Since introducing the program two years ago, Mercure hotels have hosted conferences for a number of high-profile groups such as the Environmental Protection Authority, the Department of Sustainability and Environment and the Department of Climate Change, as well as a host of environmentally sensitive companies, with the promise of carbon neutrality being a deciding factor.

Mercure works closely with the Carbon Reduction Institute (CRI) to calculate and offset greenhouse gas emission sources such as a travel and accommodation and provides full services to guests without impacting the environment. There are 27 Mercure Hotels across Australia in city and regional locations.



TICKET WALLETS bagTAGS

Visit our website gallery for more options...
www.swanplastics.com.au

LEATHER LOOK ZIPPED CORPORATE TICKET WALLETS
ORDERS 60+ WITH YOUR NAME AND LOGO

Please contact our friendly sales team:
sales@swanplastics.com.au
Free Call: 1800 339 603

Oman to target business market, with new convention centre in Muscat

MUSCAT is set to make a presence in the MICE sector of the tourism industry with the laying of the foundation stone for the Oman Convention and Exhibition Centre.

The centre, with a total seating capacity of 3000 people, 25,000sqm of exhibition space, banquet and conference halls, hotels, a business park, a large shopping mall and food, is expected to be completed by December 2012.

Oman Tourism in Australia and New Zealand country manager, Mona Tannous, said the centre is expected to change the business identity of Oman, and make it a favoured destination for the business traveller.

"Although Oman has recently been focused on developing infrastructure and hotels and resorts for the leisure traveller, the strategy has always been to target the business sector too," she said.

"We are very excited about the development of this new venue as it

will provide us with an outstanding venue which will enable Oman to host many more international conferences and exhibitions."

The banquet building of the conference centre, which will occupy a total area of 6000sqm, will include a grand ballroom on the first floor with a net area of 2500sqm and a seating capacity of 1500 people. This will make it the largest ballroom in Muscat.

The centre will also boast five column-less exhibition halls, with 25,000sqm of exhibition space, which has been designed to maximise flexibility of usage, with the ability to host plenary sessions.

The highlight of the project will be the convention centre, which will be circular in shape and roofed with a central dome shaping its architectural character.

The auditorium, which will have a seating capacity of 3000 people, will be built in three levels to allow for a closer viewing distance to the stage.